

**FLOOR STATEMENT  
OF  
THE HONORABLE BOBBY L. RUSH  
ON H.R. 556 THE “FOREIGN INVESTMENT AND  
NATIONAL SECURITY ACT OF 2007”**

**July 11, 2007**

I rise today in order to express the support of the Committee on Energy and Commerce, and in particular the Subcommittee for Commerce, Trade, and Consumer Protection, for H.R. 556, the “Foreign Investment and National Security Act of 2007.” This bill makes much-needed reforms to the process by which the Committee on Foreign Investment in the United States (hereafter: CFIUS) performs national security-related reviews of potential foreign investments in our country.

Since the DB World scandal, the Committee on Energy and Commerce has been actively involved in efforts to reform CFIUS. Along with the Committee on Financial Services and the Committee on (then) International Relations, our Committee received referral of H.R. 5337, the “National Security Foreign Investment Reform and Strengthened Transparency Act of 2006,” in May 2006. Following a hearing by the Subcommittee on Commerce, Trade, and Consumer Protection on H.R. 5337 in July 2006, the Committee on Energy and Commerce ordered the bill reported. While H.R. 5337 was approved by the House, the Senate did not take it up before the conclusion of the 109<sup>th</sup> Congress.

In January of this year, the Committee on Energy and Commerce again received referral of a CFIUS reform bill, this time H.R. 556, the “National Security Foreign Investment Reform and Transparency Act of 2007.” In the interest of expediting House passage of this bill, our Committee agreed to waive its right to mark up H.R. 556, provided that the final bill include provisions for the establishment of a vice chairmanship of CFIUS, additional CFIUS reporting requirements to the Congress, and that the Inspector General of the Treasury Department investigate that Department’s failure to report on potential industrial espionage or coordinated strategies by foreign countries with respect to U.S. critical technology. This understanding -- intended for the express purpose of strengthening Congressional oversight of the CFIUS review process -- is reflected in an exchange of letters between the Committee on Financial Services and Committee on Energy and Commerce, which itself is part of the record of the bill’s initial House debate.

Given our jurisdictional stake and strong interest in CFIUS reform, the Committee on Energy and Commerce is pleased that the House will vote today on H.R. 556. This bill is the culmination of over a year’s effort to improve the

process by which our government reviews potential foreign investment in the United States for national security risks. While my Committee does offer its support of H.R. 556, we would note that our support is tempered by concerns with deficiencies in the Senate amendments to the bill. My good friend and colleague, Chairman Dingell, discusses these concerns in greater detail in a statement which has been inserted into the record. Given this, the Subcommittee on Commerce, Trade, and Consumer Protection fully intends to monitor the implementation of this new law. We feel, nevertheless, that the bill makes a meaningful contribution to the reform of the CFIUS review process and would urge our colleagues to vote for its passage.